

VZCZCXRO8711  
RR RUEHBI RUEHCI RUEHLH RUEHNEH  
DE RUEHKT #0074/01 0300349  
ZNR UUUUU ZZH  
R 300349Z JAN 09  
FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC 9690  
INFO RUEAEPA/EPA WASHDC 0041  
RUCPDOG/USDOC WASHDC  
RUEHLM/AMEMBASSY COLOMBO 7077  
RUEHKA/AMEMBASSY DHAKA 2393  
RUEHIL/AMEMBASSY ISLAMABAD 5123  
RUEHNE/AMEMBASSY NEW DELHI 2811  
RUEHBJ/AMEMBASSY BEIJING 6791  
RUEHCG/AMCONSUL CHENNAI 2955  
RUEHCI/AMCONSUL KOLKATA 4429  
RUEHLH/AMCONSUL LAHORE 0303  
RUEHNEH/AMCONSUL HYDERABAD 0001  
RUEHBI/AMCONSUL MUMBAI 3967

UNCLAS SECTION 01 OF 03 KATHMANDU 000074

DEPT FOR OES/PCI, SCA/INS, SCA/RA  
USAID FOR ANE/SAA  
EPA FOR OIA FREEMAN

SIPDIS

E.O. 12958: N/A

TAGS: [SENV](#) [EIND](#) [EMIN](#) [PREL](#) [XD](#) [IN](#)

SUBJECT: DISLOCATION, ENVIRONMENTAL DEPRIVATION, AND CONFLICT IN  
EASTERN INDIA

SUMMARY

-----

¶1. Mining concessions in India's eastern states of Orissa and Andhra Pradesh are causing the dislocation of tens of thousands of tribal people and threatening their traditional way of life, which is highly dependant on the natural environment. In the process, tribal people have become targets for recruitment by Naxalite extremists. The Government of India (GOI) is seeking to address the issues of tribal people with the 2006 Forest Dwellers Act. But, on the state level there is no consensus that the needs of the tribal people are being adequately met through GOI and state rehabilitation and resettlement policies.

SCHEDULED TRIBES

-----

¶2. On a December 10-13, 2008, trip to Orissa and Andhra Pradesh the South Asia Regional Environmental Officer (REO) spoke to state government officials, academicians, and NGO representatives about the nexus of environment and conflict. Discussions focused on the pressures facing the tribal people in these states, whose traditional livelihoods are threatened by mining interests. These states are changing quickly. Although Orissa is the second poorest state in India, with 45 percent of its people still mired in poverty, it recorded 8.5 percent economic growth on average from 2002 to 2007, according to the World Bank.

¶3. The eastern states of India are host to numerous indigenous tribes, referred to as scheduled tribes. They tend to be engaged in subsistence agriculture or hunter-gathers, poorly educated, confined to specific areas, highly dependent on their natural surroundings, and the poorest of all communities in India. They also tend to be linguistically isolated. For example, in Orissa there are 62 tribes with a total population of 8.1 million (2001 GOI census) who speak 24 languages. In Andhra Pradesh there are over 5 million tribal people.

¶4. Uneducated, with few employment opportunities outside their communities, and lacking access to credit to create businesses, they are easily exploited by outsiders. The quality of government health services in tribal areas is, according to a local NGO, "appallingly low." In addition, tribal women are frequently targeted by traffickers. The most important asset of tribal people is their

land. They may have occupied land for generations, but they commonly lack land titles, which makes tribal people vulnerable to land grabbers.

¶15. The GOI is attempting to address tribal concerns with programs and legislation. The National Rural Employment Scheme provides 100 days of employment per year to tribal people, although some local officials report that the GOI has not funded this scheme adequately.

State governments in Orissa and Andhra Pradesh have also worked with the NGO community to promote micro-financing and women's self-help groups. The 2006 Forest Dwellers Act (Recognition of Land Rights) and its 2007 implementing rules permit tribal people to acquire land titles. The Act allows for the inheritance of tribal lands and limited transfer of land titles between tribals, but does not permit the sale of land to non-tribal people. But, the rules are proving to be cumbersome. Over 100,000 title applications have been submitted and only a few cases have been settled.

#### FOREST WEALTH

¶16. The forests of Orissa and Andhra Pradesh, where the tribal people are concentrated, also contain much of India's mineral wealth. Forests cover 31 percent of Orissa, one of the highest percentages of any Indian state. The state also contains 51 percent of India's bauxite, 21 percent of its iron, 24 percent of its coal, 95 percent of its chromium, and 91 percent of its nickel. India's rapid economic growth has led to an unprecedented demand for these minerals and is transforming Orissa and Andhra Pradesh from a forest-based economy into an industrial economy. In the process, tribal people are frequently evicted from their lands and

KATHMANDU 00000074 002 OF 003

livelihoods, offered little or no compensation, and cut off from their social and cultural networks. Representatives of NGOs report that mining activities pollute massively and the Indian Bureau of Mines is completely ineffective in reclaiming mines.

¶17. According to an Indian anthropologist and expert on tribal people, those who are unfamiliar with tribal culture may mistakenly believe that mining poses minimal risks since tribal people have little income to lose and high unemployment rates. But, he argues that earned income is only a small portion of tribal wealth, which is better measured in terms its ability to sustain tribal identity, culture, and institutions.

¶18. In many cases, tribal people have resisted industrial development. A civil society leader in Orissa said that only 30 of the 100 Memoranda of Understanding signed between the state and mining companies have gone forward. He said that several large initiatives undertaken by multinational companies, including Tata, Arcelor Mittal, and the South Korean steelmaker POSCO, have been delayed by ongoing conflicts with tribal communities. In response to several violent incidents, Orissa has crafted a resettlement and rehabilitation policy aimed at tribal communities. The UNDP is assisting the state to build capacity to implement its new policy.

#### ATTRACTION OF EXTREMISM

¶19. REO asked to what extent forced dislocations, loss of traditional livelihoods, and an end to access to the natural environment can be linked to the violent extremist groups operating in the region, specifically the Naxalites. Among state government officials, NGOs, and academicians there was a range of responses to this question.

¶10. Local Andhra Pradesh government officials played down the connection, stating that Naxalite violence was waning and under control due to effective implementation of social programs and law and order policies. The officials said the Naxalite movement had peaked in the mid-1990s. Afterwards, it deteriorated from an ideological struggle of leftists to a criminal mafia. In Orissa, a senior forest official pointed to the continuing need for adequate compensation for tribal people whose land was expropriated by mining

interests. He maintained that the Forest Dwellers Act was productively channeling tribal concerns into a workable system. He supported the right of tribal peoples to receive full market value or equivalent land for land expropriated by industry or mining concessions. But, he also noted that conflict had broken out between tribal groups when one group had been resettled too close to another tribal group, resulting in greater demand and competition for forest resources.

¶11. NGOs tended to see a direct relationship between the dislocation and spreading Naxalite violence, arguing that the forced loss of livelihood made tribal people targets for recruitment. They see the compensation policies as flawed and believe the states should halt the expansion of mining activities until proper compensation can be made to tribal communities. Otherwise, the Naxalite movement will only strengthen and spread. One NGO director described the conflict between Naxalites and Indian authorities in the neighboring state of Chhattisgarh as "India's own Darfur." In his view, brutal police actions were turning tribal youth into Naxalite recruits.

¶12. The academicians whom REO spoke to generally expressed more nuanced views, allowing that forced dislocation of tribal people communities by the state had led some tribal people to the sympathize with the Naxalite movement, but maintaining that the new rehabilitation and resettlement policies were promising and could ameliorate the situation. A University of Hyderabad professor underscored that forced displacement was clearly an incentive to participate in Naxalite violence. However, recent elections in Chhattisgarh had shown that other factors were also influencing tribal people. Tribal voters had supported a GOI-backed paramilitary movement, the Salwa Judum, to arm tribal people to fight against the Naxalites. She concluded that the Naxalites could only gain sway over displaced tribal people intermittently. She

KATHMANDU 00000074 003 OF 003

noted that Naxalite violence had declined in Andhra Pradesh, which was relatively well governed, but was still present in other states. However, she was also critical of the Forest Rights Act because it fails to educate tribal people in their rights and gives them only three months to submit land claims.

COMMENT  
-----

¶13. The Indian experience with the dislocation of tribal people from their traditional lands and natural environments is complex and not pretty. In new locations with their social networks weakened, tribal people have to learn new skills to survive or become, in a sense, victims of globalization. Pressure to exploit minerals from tribal forest lands will inevitably grow with India's economic development, making real compensation policies for expropriated lands necessary to prevent conflict and to preserve the identity and culture of the tribes. In government, NGO, and academic circles there is increasing interest in the experiences of tribal people. There should be greater efforts to assess the environmental value of India's remaining forests, to educate tribal peoples in their rights, and to plan development strategies to minimize disruption to their lives and livelihoods. (Note: REO did not have a chance to discuss dislocation issues with representatives of mining concerns.)

¶14. This cable has been cleared by Consulates General Kolkata and Hyderabad.  
POWELL